



MANUFACTURERS HANOVER LEASING CORPORATION

RECORDATION NO. 13020 Filed 1425

270 PARK AVENUE, NEW YORK, N.Y. 10017

PETER A. LOPATIN
ASSOCIATE COUNSEL

MAR 30 1981 -4 30 PM

March 27, 1981

INTERSTATE COMMERCE COMMISSION

Secretary
Interstate Commerce Commission
Washington, D.C.

RECORDATION NO. 13020/A Filed 1425

No. 1
Date MAR 30 1981
Fee \$ 50.00

RECEIVED
MAR 30 4 29 PM '81
I.C.C. BR.
FEE OPERATION BR.

Dear Sir:

MAR 30 1981 -4 30 PM

CC Washington, D. C.

INTERSTATE COMMERCE COMMISSION

I enclose herewith for recordation, pursuant to Section 20(c) of the Interstate Commerce Act, an original and two certified copies of: (1) a Loan and Security Agreement; and (2) a Supplement each dated as of March 26, 1981 between Manufacturers Hanover Leasing Corporation, 30 Rockefeller Plaza, New York, New York 10020, and Evans Railcar Leasing Company, The East Tower, 2550 Golf Road, Rolling Meadows, Illinois, respecting the following items of rolling stock:

<u>Quantity</u>	<u>Description</u>	<u>Car Numbers</u>
100	50'6", 70-ton Rebuilt XM Box Cars	BCIT 800650- 800749
100	50'6", 70-ton Rebuilt XM Box Cars	BCIT 800750- 800849

Very truly yours,

MANUFACTURERS HANOVER LEASING
CORPORATION

By:

Peter A. Lopatin
Peter A. Lopatin

John R. Long

Counters

Interstate Commerce Commission
Washington, D.C. 20423

3/30/81

OFFICE OF THE SECRETARY

Peter A. Lopatin
Associate Counsel
Manufacturers Hanover Leasing Corp.
270 Park Avenue
New York, N.Y. 10017

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 3/30/81 at 4:30pm, and assigned recordation number(s). 1320 & 13020-A

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

CERTIFICATE OF TRUE COPY

I certify that I have compared the attached copy of a "Loan and Security Agreement" between Manufacturers Hanover Leasing Corporation and Evans Railcar Leasing Company dated March 26, 1981 with the original thereof that such copy is a true and correct copy thereof.

13020

RECORDATION NO. _____, Filed 1425

MAR 30 1981 -4 30 PM

INTERSTATE COMMERCE COMMISSION

Karen A. Foley
Notary Public

KAREN A. FOLEY
Notary Public, State of New York
No. 24-4708498
Qualified in Kings County
Certificate filed in New York County
Commission Expires March 30, 1983

LOAN AND SECURITY AGREEMENT MAR 30 1981 -4 30 PM

INTERSTATE COMMERCE COMMISSION

LOAN AND SECURITY AGREEMENT, dated as of March 26,
1981, between EVANS RAILCAR LEASING COMPANY, an
Illinois corporation ("Debtor"), and MANUFACTURERS HANOVER
LEASING CORPORATION ("MHLC"), a New York corporation. In con-
sideration of the mutual agreements contained herein, the parties
hereto agree as follows:

SECTION 1. DEFINITIONS

1.1 Defined Terms. As used in this Agreement the
following terms shall have the following defined meanings, unless
the context otherwise requires (such terms to be equally applic-
able to both singular and plural forms of the terms defined):

"Agreement", "hereof", "hereto", "hereunder" and words
of similar import shall mean this Loan and Security Agree-
ment, as the same may from time to time be amended, modified
or supplemented.

"Business Day" shall mean a day other than a Saturday,
Sunday or legal holiday under the laws of the State of New
York.

"Casualty Prepayment Percentage" shall mean, on the date
of the required prepayment of the Note pursuant to Section
2.3(a) of this Agreement, the product obtained by multiplying
10% by a fraction, the numerator of which will be the number
of Installment Payment Dates with respect to the Note re-
maining after such date of prepayment (including the Install-
ment Payment Date, if any, on which such prepayment is made)
and the denominator of which shall be the total number of
Installment Payment Dates with respect to the Note.

"Closing Date" shall mean the date on which the Loan is
made pursuant hereto.

"Code" shall mean the Uniform Commercial Code or any
Personal Property Security Act of any province of Canada as
from time to time in effect in any state or province or other
applicable jurisdiction.

"Collateral" shall mean (i) the Equipment and the Pro-
ceeds thereof, (ii) the Lease (as hereinafter defined),
together with all amounts payable thereunder, and (iii) the
Proceeds of any of the foregoing.

"Commitment" shall mean the obligation of MHLC to make
the Loan in the principal amount specified in Section 2.1 of
this Agreement.

"Cost" shall mean, with respect to any item or Unit of Equipment, the net book value of such item or Unit of Equipment as set forth in the Supplement.

"Debtor" as defined in the introductory paragraph to this Agreement.

"Equipment" shall mean any and all items of equipment, inventory or other items of property which are listed on the Supplement hereto, together with all accessories, parts, repairs, replacements, substitutions, attachments, modifications, renewals, additions, improvements, upgrades and accessions of, to or upon such items of equipment, inventory or other property, now or at any time hereafter acquired.

"Event of Default" as defined in Section 7 of the Agreement.

"Event of Loss" shall mean, with respect to any item of Equipment, the actual or constructive loss of such item of Equipment or the use thereof, due to theft, destruction, damage beyond repair or damage from any reason whatsoever, to an extent which makes repair uneconomical or rendition thereof unfit for normal use or the condemnation, confiscation or seizure of, or requisition of title to or use of, such item of Equipment by any governmental authority or any other person, whether or not acting under color of governmental authority.

"Initial Agreement" shall mean that certain Loan and Security Agreement dated December 10, 1980 between Debtor and MHLC.

"Installment Payment Date" shall mean, with respect to the Note, each date on which a regular installment of principal and interest is due on such Note.

"Lease" shall mean that certain Railroad Car Lease Agreement dated October 23, 1978 between Debtor, in its former corporate name of United States Railway Equipment Co., as lessor, and the Lessee.

"Lessee" shall mean British Columbia Railway Co. under the Lease.

"Liens" shall mean liens, mortgages, security interests, pledges, title retentions, charges, financing statements or other encumbrances of any kind whatsoever.

"Loan" shall mean the loan made by MHLC pursuant to this Agreement.

"MHLC" as defined in the introductory paragraph to this Agreement.

"Note" shall mean the promissory note of Debtor evidencing the Loan, as described in Section 2.2 of this Agreement.

"Obligations" shall mean (i) the aggregate unpaid principal amount of, and accrued interest on, the Note; (ii) all other obligations and liabilities of Debtor, now existing or hereafter incurred, under, arising out of or in connection with this Agreement or the Note; (iii) any and all other indebtedness and obligations of any kind whatsoever of Debtor to MHLC, whether now existing or hereafter incurred or from time to time reduced and thereafter increased; and (iv) the obligations of Evans Trailer Leasing Company ("ETLC") arising under that certain Loan and Security Agreement dated June 20, 1980 between MHLC and ETLC (the "ETLC Agreement").

"Prepaid Principal Amount" as defined in Section 2.3(a) of this Agreement.

"Proceeds" shall have the meaning assigned to it in the Code, and in any event, shall include, but not be limited to, (i) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to Debtor from time to time with respect to any of the Equipment; (ii) any and all payments (in any form whatsoever) made or due and payable to Debtor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Equipment by any governmental body, authority, bureau or agency or any other person (whether or not acting under color of governmental authority); and (iii) any and all other rents or profits or other amounts from time to time paid or payable under or in connection with any of the Equipment.

"Supplement" shall mean the Supplement executed and delivered by Debtor in substantially the form of Exhibit A attached hereto.

"Unit of Equipment" shall mean those items of Equipment described on the Supplement and financed with the Loan.

1.2 Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles.

SECTION 2. AMOUNT AND TERMS OF LOAN.

2.1 Commitment. Subject to the terms and conditions of this Agreement, MHLC agrees to make a Loan, to Debtor in the amount of \$ 5,500,000. The obligation of MHLC to make the Loan hereunder shall terminate on March 31, 1981. Debtor shall give MHLC at least three Business Days' prior written notice of the date and amount of the proposed Loan.

2.2 The Note.

The Loan shall be evidenced by a promissory note of Debtor substantially in the form of Exhibit B hereto.

2.3 Casualty Loss.

(a) In the event that any item of Equipment shall suffer an Event of Loss, Debtor shall pay, within 30 days after the occurrence of such Event of Loss, an amount determined (i) by multiplying (A) the unpaid principal amount of the Note by (B) a fraction the numerator of which shall be the Cost of the item of Equipment which suffered the Event of Loss and the denominator of which shall be the original principal amount of the Note (the amount obtained by multiplying (i)(A) and (i)(B) hereof shall be herein referred to as the "Prepaid Principal Amount"), (ii) by adding interest accrued, with respect to the Prepaid Principal Amount, to the date of such prepayment and (iii) by adding an amount equal to (A) the applicable Casualty Prepayment Percentage multiplied by (B) the Prepaid Principal Amount. Upon payment in full of any such prepayment amount, and so long as no Event of Default has occurred and is continuing, the item of Equipment subject to such Event of Loss shall be released from the security interest of this Agreement.

(b) As an alternative to the prepayment discussed in this Section 2.3, Debtor shall have the option to substitute Equipment of a like kind with a value equal to or greater than the value of the Equipment involved in the Event of Loss within 60 days following such Event of Loss, and thereafter such substituted Equipment shall constitute Collateral for all purposes hereunder, provided that MHLC and its counsel are satisfied as to the security provided thereby and the perfecting thereof.

2.4 Use of Proceeds. The proceeds of the Loan shall be applied by Debtor solely in payment of the Cost of the Equipment or to reimburse Debtor for the payment of the Cost of the Equipment.

SECTION 3. CONDITIONS OF BORROWING.

Conditions of the Loan. MHLC shall not be required to make the Loan hereunder unless on the Closing Date:

(a) Certificate of Incumbency of Debtor. MHLC shall have received a certificate of incumbency of Debtor signed by the Secretary or Assistant Secretary of Debtor, which certificate shall certify the names of the officers of Debtor authorized to execute any documents hereunder or under any other related document on behalf of Debtor, together with specimen signatures of such officers, and MHLC may conclusively rely on such certificate until receipt of a further certificate of the Secretary or Assistant Secretary of Debtor cancelling or amending the prior certificate and submitting the signatures of the officers named in such further certificate.

(b) Resolutions. MHLC shall have received a certified copy of all corporate proceedings of Debtor evidencing that all action required to be taken in connection with the authorization, execution, delivery and performance of this Agreement and the Note and the transaction contemplated hereby has been duly taken.

(c) Opinion of Debtor's Counsel. MHLC shall have received the written opinion addressed to it of counsel for Debtor satisfactory to MHLC, as to matters contained in Section 4, Subsection 4.1 through 4.6, inclusive, and as to matters contained in Subsections 4.7 and 4.8 with respect to the Equipment and which opinion shall also cover such other matters incident to the transactions contemplated by this Agreement as MHLC may reasonably request.

(d) Supplement. Debtor shall have executed and delivered the Supplement to MHLC.

(e) Note. The Note shall have been duly executed and delivered to MHLC.

(f) Equipment Delivery. The Equipment being financed by the Loan shall have been duly delivered to and accepted by Debtor.

(g) Invoice and Title. If requested by MHLC, MHLC shall have received copies of the invoice or invoices covering the acquisition of the Equipment together with copies of the bills of sale, if any, conveying the Equipment to Debtor.

(h) Payment of Equipment Cost. MHLC shall be satisfied that the Cost of each item of Equipment has been, or concurrently with the making of the Loan will be, fully paid.

(i) Insurance. MHLC shall have received evidence satisfactory to it that the Equipment is insured in accordance with the provisions of this Agreement.

(j) Security Interest. All filings, recordings and other actions that are necessary or desirable in order to establish, protect, preserve and perfect MHLC's security interest in the Equipment as a valid perfected first priority security interest shall have been duly effected, including, without limitation, the filing of financing statements all in form and substance satisfactory to MHLC, and all fees, taxes and other charges relating to such filings and recordings shall have been paid by Debtor.

(k) Representations. (i) The representations and warranties contained in this Agreement shall be true and correct in all respects on and as of the date of the making of the Loan with the same effect as if made on and as of such date; (ii) no

Event of Default, or event which with notice, with lapse of time and/or with any other condition, event or act would constitute an Event of Default, shall be in existence on the date of the making of the Loan or shall occur as a result of such Loan; and (iii) the acceptance by Debtor of the Loan shall constitute a representation by Debtor that the statements contained in clauses (i) and (ii) above are true and correct on the date of the Loan.

(1) Legal Matters. All legal matters with respect to the transaction contemplated by this Agreement shall be satisfactory to counsel for MHLC.

SECTION 4. REPRESENTATIONS AND WARRANTIES.

In order to induce MHLC to enter into this Agreement and to make the Loan, Debtor represents and warrants to MHLC that:

4.1 Organization. Debtor is a corporation duly organized, validly existing and in good standing under the laws of the State of Illinois, has the necessary authority and power to own the Equipment and its other assets and to transact the business in which it is engaged, and is duly qualified to do business in the jurisdiction where the Equipment is located and in each other jurisdiction in which the conduct of its business or the ownership of its assets requires such qualification.

4.2 Power and Authority. Debtor has full power, authority and legal right to execute and deliver this Agreement and the Note, to perform its obligations hereunder and thereunder, to borrow hereunder and to grant the security interest created by this Agreement.

4.3 Consents and Permits. No consent of any other party (including any stockholders, trustees or holders of indebtedness), and no consent, license, approval or authorization of, exemption by, or registration or declaration with, any governmental body, authority, bureau or agency is required in connection with the execution, delivery or performance by Debtor of this Agreement or the Note, or the validity or enforceability of this Agreement or the Note.

4.4 No Legal Bar. The execution, delivery and performance by Debtor of this Agreement and the Note do not and will not violate any provision of any applicable law or regulation or of any judgment, award, order, writ or decree of any court or governmental instrumentality, will not violate any provision of the charter or by-laws of Debtor and will not violate any provision of or cause a default under any mortgage, indenture, contract, agreement or other undertaking to which Debtor is a party or which purports to be binding upon Debtor or upon any of its assets, and will not result in the creation or imposition of any Lien on any of the assets of Debtor other than the security interest intended to be created hereby.

4.5 Enforceability. This Agreement has been duly authorized, executed and delivered by Debtor and constitutes a legal, valid and binding obligation of Debtor enforceable in accordance with its terms. When executed and delivered, the Note shall have been duly authorized, executed and delivered by Debtor and shall constitute a legal, valid and binding obligation of Debtor enforceable in accordance with its terms.

4.6 No Litigation. There is no action, suit, investigation or proceeding (whether or not purportedly on behalf of Debtor) pending or threatened against or affecting Debtor or any of its assets (a) which involves any of the Equipment or any of the transactions contemplated by this Agreement; or (b) which, if adversely determined, could have an adverse effect upon the transactions contemplated by this Agreement or a material adverse effect on the business, operations or financial condition of Debtor.

4.7 Title to Equipment. On the Closing Date Debtor shall have good and marketable title to the Equipment subject to no Liens except the security interest created hereby in favor of MHLC.

4.8 MHLC's Security Interest. On the Closing Date MHLC shall have a legal, valid and continuing first priority security interest in the Equipment, prior and superior to all other Liens, and all filings, recordings or other actions necessary or desirable in order to establish, protect and perfect such security interest in favor of MHLC as a perfected first priority security interest in the Equipment will have been duly effected, and all taxes, fees and other charges in connection therewith shall have been duly paid.

4.9 Financial Condition of Debtor. The consolidated financial statements of Debtor as at and for the fiscal year ended December 31, 1979 prepared by Touche Ross and Co., copies of which have been heretofore delivered to MHLC, are complete and correct, have been prepared in accordance with generally accepted accounting principles consistently applied, and present fairly the financial position of Debtor as at said date and the results of its operations for the period ended on said date, and there has been no material adverse change in the financial condition, business or operations of Debtor since said date.

4.10 Taxes. Debtor has filed all Federal, state and local income tax returns that are required to be filed, and has paid all taxes as shown on said returns and all assessments received by it to the extent that such taxes and assessments have become due, and Debtor does not have any knowledge of any actual or proposed deficiency or additional assessment in connection therewith. The charges, accruals and reserves on the books of Debtor in respect of Federal, state and local taxes for all open years, and for the current fiscal year, make adequate provision for all unpaid tax liabilities for such periods.

4.11 No Default. Debtor is not in default, as of the date hereof, in any material manner in the payment or performance of any of its obligations or in the performance of any contract, agreement or other instrument relating to the borrowing of funds to which it is a party or by which it or any of its assets may be bound.

4.12 Respecting the Lease. (a) The Lease was signed by the Lessee not later than 10 days after delivery of the first item of Equipment delivered, in compliance with the Sale of Goods on Condition Act of British Columbia; (b) The rental specified therein is payable in United States currency.

SECTION 5. COVENANTS.

Debtor covenants and agrees that from and after the date hereof and so long as the Commitment or the Note is outstanding:

5.1 Notices. Debtor will promptly give written notice to MHLC of (i) the occurrence of any Event of Default or any event which with notice, with lapse of time and/or with any further condition, event or act would constitute an Event of Default; (ii) the occurrence of any Event of Loss; (iii) the commencement or threat of any material litigation or proceedings affecting Debtor or the Equipment; and (iv) any dispute between Debtor and any governmental regulatory body or other party that involves any of the Equipment or that might materially interfere with the normal business operations of Debtor.

5.2 Laws; Obligations; Operations. Debtor will (i) duly observe and conform to all requirements of any governmental authorities relating to the conduct of its business or to its properties or assets; (ii) maintain its existence as a legal entity and obtain and keep in full force and effect all rights, franchises, licenses and permits which are necessary to the proper conduct of its business; (iii) obtain or cause to be obtained as promptly as possible any governmental, administrative or agency approval and make any filing or registration therewith which at the time shall be required with respect to the performance of its obligations under this Agreement or the operation of its business; and (iv) pay and perform all of its obligations and liabilities when due, including, without limitation, all fees, taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits or upon any of the Equipment or any other property belonging to it.

5.3 Inspection. MHLC or its authorized representative may at any reasonable time or times inspect the Equipment and the books and records of Debtor.

5.4 Books. Debtor will keep proper books of record and account in which full, true and correct entries in accordance with generally accepted accounting principles will be made of all

dealings or transactions in relation to its business and activities.

5.5 Financial Information. Debtor will furnish to MHLC (a) as soon as available, but in any event not later than 90 days after the end of each fiscal year, a consolidating balance sheet of Evans Transportation Company ("ETC") as at the end of such fiscal year, and consolidating statements of income and changes in financial position of ETC for such fiscal year, all in reasonable detail, prepared in accordance with generally accepted accounting principles applied on a basis consistently maintained throughout the period involved and certified by certified public accountants acceptable to MHLC; (b) as soon as available, but in any event not later than 45 days after the end of each of the first three quarterly periods of each fiscal year of Debtor, a consolidating balance sheet of Debtor and ETC as at the end of such quarterly period and a consolidating statement of income of Debtor and ETC for such quarterly period and for the portion of the fiscal year then ended, all in reasonable detail, prepared in accordance with generally accepted accounting principles applied on a basis consistently maintained throughout the period involved and certified by the chief financial officer of each such company; and (c) promptly, such additional financial and other information as MHLC may from time to time reasonably request.

5.6 Further Assurances. Debtor will promptly, at any time and from time to time, at its sole expense, execute and deliver to MHLC such further instruments and documents, and take such further action, as MHLC may from time to time reasonably request in order to further carry out the intent and purpose of this Agreement and to establish and protect the rights, interests and remedies created, or intended to be created, in favor of MHLC hereby, including, without limitation, the execution, delivery, recordation and filing of financing statements and continuation statements. Debtor hereby authorizes MHLC, in such jurisdictions where such action is authorized by law, to effect any such recordation or filing without the signature of Debtor thereto. Debtor will pay, or reimburse MHLC for, any and all fees, costs and expenses of whatever kind or nature incurred in connection with the creation, preservation and protection of MHLC's security interest in the Equipment, including, without limitation, all fees and taxes in connection with the recording or filing of instruments and documents in public offices, payments or discharge of any taxes or Liens upon or in respect of the Equipment, premiums for insurance with respect to the Equipment and all other fees, costs and expenses in connection with protecting, maintaining or preserving the Equipment and MHLC's interests therein, whether through judicial proceedings or otherwise, or in connection with defending or prosecuting any actions, suits or proceedings arising out of or related to the Equipment; and all such amounts that are paid by MHLC shall, until reimbursed by Debtor, constitute Obligations of Debtor secured by the Equipment.

5.7 No Disposition of Collateral. Debtor will not sell, convey, transfer, exchange, lease or otherwise relinquish possession or dispose of any of the Collateral or attempt or offer to do any of the foregoing except that MHLC consents to the leasing of the Equipment to the Lessee pursuant to the Lease.

5.8 No Liens. Debtor will not create, assume or suffer to exist any Lien of any kind upon the Collateral except for the security interest created hereby, it being understood that the Lease, by reason of containing a purchase option, is deemed a conditional sale under the Sale of Goods on Condition Act of British Columbia.

5.9 Debtor's Title; MHLC's Security Interest; Personal Property. Debtor will warrant and defend its good and marketable title to the Equipment, and MHLC's perfected first priority security interest in the Collateral, against all claims and demands whatsoever. Debtor agrees that the Equipment shall be and at all times remain separately identifiable personal property. Debtor shall, at its expense, take such action (including the obtaining and recording of waivers) as may be necessary to prevent any third party from acquiring any right to or interest in the Equipment by virtue of the Equipment being deemed to be real property or a part of real property or a part of other personal property, and if at any time any person shall claim any such right or interest, Debtor shall, at its expense, cause such claim to be waived in writing or otherwise eliminated to MHLC's satisfaction within 30 days after such claim shall have first become known to Debtor.

5.10 No Changes in Debtor. Debtor will not (a) enter into any transaction of merger or consolidation unless it is the surviving corporation and after giving effect to such merger or consolidation its net worth equals or exceeds that which existed prior to such merger or consolidation; or (b) liquidate or dissolve; or (c) without thirty (30) days prior written notice to MHLC change its name, the form of organization of its business or its chief place of business.

5.11 Use of Equipment; Maintenance; Identification.

(a) Debtor will use the Equipment predominantly within the province of British Columbia, the continental United States and in temporary or incidental use in other provinces of Canada.

(b) Debtor will use the Equipment in a careful and proper manner, will comply with and conform to all governmental laws, rules and regulations relating thereto, and will cause the Equipment to be operated in accordance with the manufacturer's or supplier's instructions or manuals and only by competent and duly qualified personnel.

(c) Debtor will, at its own expense, keep and maintain the Equipment in good repair, condition and working order and

furnish all parts, replacements, mechanisms, devices and servicing required therefor so that the value, condition and operating efficiency thereof will at all times be maintained and preserved, fair wear and tear excepted. All such repairs, parts, mechanisms, devices and replacements shall immediately, without further act, become part of the Equipment and subject to the security interest created by this Agreement. Debtor will not make or authorize any improvement, change, addition or alteration to the Equipment if such improvement, change, addition or alteration will impair the originally intended function or use of the Equipment or impair the value of the Equipment as it existed immediately prior to such improvement, change, addition or alteration. Any part added to the Equipment in connection with any improvement, change, addition or alteration shall immediately, without further act become part of the Equipment and subject to the security interest created by this Agreement.

(d) If requested by MHLC in writing, Debtor shall, at MHLC's expense, attach to each item of Equipment a notice satisfactory to MHLC disclosing MHLC's security interest in such item of Equipment.

5.12 Insurance.

Debtor shall obtain and maintain at all times on the Collateral, at its expense, property damage, direct damage and liability insurance in such amounts, against such risks, in such form and with such insurers as shall be satisfactory to MHLC; provided, however, that the amount of direct damage insurance shall not be less than the greater of the full replacement value of the Collateral or 110% of the then outstanding principal amount of the Note. All insurance policies shall be made payable to MHLC as its interest may appear and the policy for liability insurance shall name MHLC as additional insured. Debtor shall assign and deliver the policies of insurance or certificates thereof to MHLC upon MHLC's request but MHLC shall bear no duty or liability to ascertain as to the existence or adequacy of such insurance. Each insurance policy shall, among other things, require that the insurer give MHLC at least 30 days' prior written notice of any alteration in the terms of such policy or of the cancellation thereof and that the interests of MHLC be continued insured regardless of any breach of or violation by Debtor of any warranties, declarations or conditions contained in such insurance policy. Debtor may satisfy the property damage and direct damage insurance provisions of this Section by a program of self-insurance.

SECTION 6. SECURITY INTEREST.

6.1 Grant of Security Interest. As security for the prompt and complete payment and performance when due of all the Obligations and in order to induce MHLC to enter into this Agreement and make the Loan in accordance with the terms hereof and to extend other credit from time to time to Debtor:

- (a) Debtor hereby assigns, conveys, mortgages, pledges, hypothecates and transfers to MHLC, and hereby grants to MHLC a first priority security interest, in all Debtor's right, title and interest in, to and under the Collateral; and
- (b) By way of further assurance, and to further secure the prompt and complete payment when due of the Loan and interest thereon and any other monies payable hereunder in connection with the Loan, Debtor will, forthwith after the execution of this Agreement, execute and deliver to MHLC a Chattel Mortgage charging the Equipment, which Chattel Mortgage shall be substantially in the form annexed hereto as Exhibit C hereto together with such affidavits and other ancillary documents as may be required for registration in British Columbia and any other province or any territory of Canada.

6.2 MHLC Appointed as Attorney-in-Fact.

(a) Debtor hereby irrevocably constitutes and appoints MHLC and any other officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of Debtor and in the name of Debtor or in its own name, from time to time in MHLC's discretion, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement. Debtor hereby ratifies all that said attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and shall be irrevocable.

(b) The powers conferred on MHLC hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. MHLC shall be accountable only for amounts that it actually receives as a result of the exercise of such powers and neither it nor any of its officers, directors, employees or agents shall be responsible to Debtor for any act or failure to act.

SECTION 7. EVENTS OF DEFAULT.

The following events shall each constitute an event of default (herein called "Event of Default") under this Agreement:

(a) Debtor shall fail to pay any Obligation within 10 days after the same becomes due (whether at the stated maturity, by acceleration or otherwise); or

(b) Any representation or warranty made by Debtor in this Agreement or in connection with the Loan, or in any docu-

ment, certificate or financial or other statement now or hereafter furnished by Debtor in connection with this Agreement shall at any time prove to be untrue or misleading in any material respect as of the time when made; or

(c) Debtor shall fail to observe any covenant, condition or agreement contained in Sections 2.4, 5.7, 5.10, 5.11(a) or 5.12 hereof; or

(d) Debtor shall fail to observe or perform any other covenant, condition or agreement contained in this Agreement, and such failure shall continue unremedied for a period of 30 days after the earlier of (i) the date on which Debtor obtains, or should have obtained, knowledge of such failure; or (ii) the date on which notice thereof shall be given by MHLC to Debtor; or

(e) The institution by Debtor of proceedings to be adjudicated a bankrupt or insolvent, or the consent by it to the institution of bankruptcy or insolvency proceedings against it, or the commencement by Debtor of a voluntary proceeding or case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or the consent by it to the filing of any such petition or to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian or sequestrator (or other similar official) of Debtor or of any substantial part of its property, or the making by it of any assignment for the benefit of creditors or the admission by it of its inability to pay its debts generally as they become due or its willingness to be adjudicated a bankrupt or the failure of Debtor generally to pay its debts as they become due or the taking of corporate action by Debtor in furtherance of any of the foregoing; or

(f) The entry of a decree or order for relief by a court having jurisdiction in respect of Debtor adjudging Debtor a bankrupt or insolvent, or approving as properly filed a petition seeking a reorganization, arrangement, adjustment or composition of or in respect of Debtor in an involuntary proceeding or case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, or assignee, custodian, trustee or sequestrator (or similar official) of Debtor or of any substantial part of its property, or ordering the winding-up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 30 days.

(g) There shall occur an Event of Default under the ETLC Agreement.

(h) Debtor executes a secured obligation for borrowed money (or any instrument relating thereto) and such document contains a provision which makes Debtor's default in the payment

of principal and interest under any other secured obligation an event of default under such secured obligation (such provision hereafter referred to as a "cross-default provision"), and Debtor then fails within thirty (30) days to notify MHLC of the granting of such cross-default provision and to actually grant such a cross-default provision to MHLC by amendment of this Agreement; provided, however, that this subsection 8 (i) shall not apply to cross-default provisions which pertain only to (1) separate secured obligations to the same lender or (2) multiple secured obligations with two or more lenders who stand in the relationship of parent and subsidiary or subsidiaries of the same parent or who are otherwise related directly or indirectly.

(i) The tangible net worth of Evans Transportation Company shall fall below \$118,000,000.00 at any time that there remain any Obligations outstanding hereunder.

(j) There shall occur a breach or default by Debtor of any of its covenants or representations under that certain Assignment of Lease between Debtor and MHLC, of even date herewith.

(k) There shall occur an Event of Default under the Initial Agreement.

SECTION 8. REMEDIES.

8.1 If an Event of Default shall occur and be continuing, then, and in any such event, MHLC may, by notice of default given to Debtor, (x) terminate forthwith the Commitment and/or (y) declare the Note to be forthwith due and payable, whereupon the principal amount of the Note, together with accrued interest thereon, shall become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived, anything contained herein or in the Note to the contrary notwithstanding. During the continuance of any Event of Default hereunder, MHLC shall have the right to pursue and enforce any of its rights and remedies under Section 8, Subsection 8.2 through 8.4, inclusive, hereof.

8.2 If an Event of Default shall occur and be continuing, MHLC may exercise in addition to all other rights and remedies granted to it in this Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, all rights and remedies of secured parties under the Code, the law of British Columbia, or under any other applicable law. Without limiting the generality of the foregoing, Debtor agrees that in any such event, MHLC, without demand of performance or other demand, advertisement or notice of any kind (except the notice specified below of time and place of public or private sale) to or upon Debtor or any other person (all and each of which demands, advertisements and/or notices are hereby expressly waived), may forthwith seize, collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, lease, assign, give option or options to purchase

or otherwise dispose of and deliver the Collateral (or contract to do so), or any part thereof, in one or more parcels at public or private sale or sales, at any exchange or broker's board or at any of MHLC's offices or elsewhere at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. MHLC shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in Debtor, which right or equity is hereby expressly released. Debtor further agrees, at MHLC's request, to assemble the Collateral, make it available to MHLC at places which MHLC shall reasonably select, whether at Debtor's premises or elsewhere. MHLC shall apply the net proceeds of any such collection, recovery, receipt, appropriation, realization or sale (after deducting all reasonable costs and expenses of every kind incurred therein or incidental to the care, safekeeping or otherwise of any or all of the Collateral or in any way relating to the rights of MHLC hereunder, including attorneys' fees and legal expenses) to the payment in whole or in part of the Obligations, in such order as MHLC may elect and only after so applying such net proceeds and after the payment by MHLC of any other amount required by any provision of law (including Section 9-504(1)(c) of the Uniform Commercial Code and parallel provisions of any Personal Property Security Act of any province of Canada), need MHLC account for the surplus, if any, to Debtor. To the extent permitted by applicable law, Debtor waives all claims, damages, and demands against MHLC arising out of the seizure, repossession, retention or sale of the Collateral. Debtor agrees that MHLC need not give more than 10 days' notice (which notification shall be deemed given when mailed, postage prepaid, addressed to Debtor at its address set forth in Section 10.2 hereof) of the time and place of any public sale or of the time after which a private sale may take place and that such notice is reasonable notification of such matters. Debtor shall be liable for any deficiency if the proceeds of any sale or disposition of the Collateral are insufficient to pay all amounts to which MHLC is entitled.

8.3 Debtor agrees to pay all costs of MHLC, including attorneys' fees, incurred with respect to the collection of any of the Obligations and the enforcement of any of its respective rights hereunder. Lawyers fees incurred in Canada shall be on a solicitor and client basis.

8.4 Debtor hereby waives presentment, demand, protest or any notice, except as hereinabove provided in Section 8 (to the extent permitted by applicable law) of any kind in connection with this Agreement or any Collateral.

SECTION 9. PREPAYMENT. So long as no Event of Default shall have occurred hereunder Debtor may, subject to the provisions of this Section 9, prepay the Note on any quarterly installment date after the 20th quarterly installment has been

received. Debtor shall give MHLC not less than 30 days prior written notice of its intention to prepay. On the installment date as of which such prepayment is made, Debtor shall pay to MHLC an amount determined by multiplying the original principal amount of the Note by the percentage set forth in the Prepayment Schedule attached hereto opposite the quarterly installment date as of which such prepayment is being made. Debtor covenants and agrees that it will not elect to prepay the Note in anticipation of the receipt of the proceeds of any refinancing of such indebtedness. A notice of intent to prepay shall state that such prepayment is being so effected.

SECTION 10. MISCELLANEOUS.

10.1 No Waiver of Remedies; Cumulative Remedies. No failure or delay on the part of MHLC in exercising any right, power or privilege hereunder or under any Note shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege. No right or remedy in this Agreement is intended to be exclusive but each shall be cumulative and in addition to any other remedy referred to herein or otherwise available to MHLC at law or in equity; and the exercise by MHLC of any one or more of such remedies shall not preclude the simultaneous or later exercise by MHLC of any or all such other remedies. No express or implied waiver by MHLC of an Event of Default shall in any way be, or be construed to be, a waiver of any future or subsequent Event of Default.

10.2 Waiver of Statutory Rights. To the extent permitted by law, Debtor waives any right now or hereafter conferred by statute or otherwise which limit or modify any of MHLC's rights or remedies under this Agreement. Without limiting the generality of the foregoing, Debtor, to the extent permitted by law, hereby waives all rights, benefits and protection given by Sections 23 to 28 of the Chattel Mortgage Act of British Columbia and all amendments to or substitutions for the said sections, and by any and all other statutory provisions similar to the said sections, however designated and whether now or hereafter enacted or in force, of any other province or any territory of Canada.

10.3. Exercise of Remedies Under the Lease. If an event of default shall occur under the Lease, Debtor will forthwith notify MHLC and will not exercise any of the Lessor's remedies under the Lease without the written concurrence of MHLC, and in particular and without limiting the generality of the foregoing, Debtor will not sue Lessee for any monies owing under the Lease and will not seize, accept a surrender of or otherwise repossess the Equipment or any of it, without such written concurrence.

10.4 Notices. All notices, requests and demands to or upon any party hereto shall be deemed to have been duly given or made when deposited in the United States mail, first class postage prepaid, addressed to such party as follows, or to such other address as may be hereafter designated in writing by such party to the other party hereto:

DEBTOR: Evans Railcar Leasing Company
2550 Golf Road, Suite 1000,
The East Tower
Rolling Meadows, Illinois 60008

MHLC: Manufacturers Hanover Leasing Corporation
30 Rockefeller Plaza
New York, New York 10020

10.5 Payment of Expenses and Taxes; Performance by MHLC of Debtor's Obligations.

(a) Debtor agrees, whether or not the transaction contemplated by this Agreement shall be consummated, to pay (i) all costs and expenses of MHLC in connection with the negotiation, preparation, execution and delivery of this Agreement, and the other documents relating hereto, including, without limitation, the reasonable fees and disbursements of counsel to MHLC; (ii) all fees and taxes in connection with the recording of this Agreement or any other document or instrument required hereby; and (iii) all costs and expenses of MHLC in connection with the enforcement of this Agreement and the Note, including all legal fees and disbursements arising in connection therewith. Debtor also agrees to pay, and to indemnify and save MHLC harmless from any delay in paying, all taxes, including without limitation, sales, use, stamp and personal property taxes (other than any corporate income, capital, franchise or similar taxes payable by MHLC with respect to the payments made to MHLC hereunder or thereunder) and all license, filing, and registration fees and assessments and other charges, if any, which may be payable or determined to be payable in connection with the execution, delivery and performance of this Agreement or the Note or any modification thereof.

(b) If Debtor fails to perform or comply with any of its agreements contained herein and MHLC shall itself perform or comply, or otherwise cause performance or compliance, with such agreement, the expenses of MHLC incurred in connection with such performance or compliance, together with interest thereon at the rate provided for in the Note shall be payable by Debtor to MHLC on demand and until such payment shall constitute Obligations secured hereby.

10.6 Survival of Representations and Warranties. All representations and warranties made in this Agreement and any certificates delivered pursuant hereto or thereto shall survive

the execution and delivery of this Agreement and the making of the Loan, and the agreements contained in Section 10.3 hereof shall survive payment of the Note.

10.7 Amendments. Neither this Agreement, nor any terms hereof, may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against which enforcement of a change, waiver, discharge or termination is sought.

10.8 Counterparts. This Agreement may be executed by the parties hereto on any number of separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

10.9 Headings. The headings of the Sections and paragraphs are for convenience only, are not part of this Agreement and shall not be deemed to effect the meaning or construction of any of the provisions hereof.

10.10 Successors or Assigns. This Agreement shall be binding upon and inure to the benefit of Debtor and MHLC and their respective successors and assigns, except that Debtor may not assign or transfer its rights hereunder or any interest herein without the prior written consent of MHLC.

10.11 Construction. This Agreement and the Note shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York.

10.12 Jurisdiction. Debtor hereby irrevocably consents and agrees that any legal action, suit, or proceeding arising out of or in any way in connection with this Agreement may be instituted or brought in the courts of the State of New York, in the County of New York, or the United States Courts for the Southern District of New York, as MHLC may elect, and by execution and delivery of this Agreement, Debtor hereby irrevocably accepts and submits to, for itself and in respect of its property, generally and unconditionally, the non-exclusive jurisdiction of any such court, and to all proceedings in such courts. Debtor irrevocably consents to service of any summons and/or legal process by registered or certified United States air mail, postage prepaid, to Debtor at the address set forth in Section 10.4 hereof, such method of service to constitute, in every respect, sufficient and effective service of process in any such legal action or proceeding. Nothing in this Agreement shall affect the right to service of process in any other manner permitted by law or limit the right of MHLC to bring actions, suits or proceedings in the courts of any other jurisdiction. Debtor further agrees that final judgment against it in any such legal action, suit or proceeding shall be conclusive and may be enforced in any other jurisdiction, within or outside the United States of America, by suit on the judgment, a certified or exem-

plified copy of which shall be conclusive evidence of the fact and the amount of the liability.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

EVANS RAILCAR LEASING COMPANY

By: 

Title: Vice President

MANUFACTURERS HANOVER
LEASING CORPORATION

By: 

Title: Vice Pres

SUPPLEMENT

This Supplement is executed and delivered by Evans Railcar Leasing Company ("Debtor") pursuant to the terms of a Loan and Security Agreement ("Agreement") dated as of 19 , between Debtor and MANUFACTURERS HANOVER LEASING CORPORATION ("MHLC"). Terms defined in the Agreement shall have the respective meanings given them in the Agreement unless otherwise defined herein or unless the context otherwise requires.

1. Debtor hereby confirms that the proceeds of the Loan made this date shall be used to purchase the items of personal property ("Equipment") set forth below:

<u>Qty.</u>	<u>Model/Mfgs.</u>	<u>Description</u>	<u>Serial No.</u>	<u>Cost</u>
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See Exhibit A attached hereto

2. Debtor hereby represents and warrants that the above described items of personal property have been delivered to it, duly assembled and in good working order.

3. Debtor hereby affirms that the representations and warranties set forth in Section 4 of the Agreement are true and correct as of the date hereof.

4. Debtor hereby affirms that MHLC has made a Loan to it for the purchase of the above described Equipment, which loan is evidenced by a Note, in the principal amount of \$ _____ dated 19 .

5. Debtor hereby affirms that MHLC has a security interest in the items of personal property described above as set forth in Section 6.1 of the Agreement.

DEBTOR: EVANS RAILCAR LEASING COMPANY

By: _____

Title: _____

Exhibit B

PROMISSORY NOTE

New York, New York
, 19__.

\$ _____

FOR VALUE RECEIVED, Evans Railcar Leasing Company ("Debtor") promises to pay to the order of MANUFACTURERS HANOVER LEASING CORPORATION ("MHLC") at its office at 30 Rockefeller Plaza, New York, New York 10020, in lawful money of the United States, the principal sum of

_____ DOLLARS (\$ _____) together with interest on the amount of said principal sum remaining unpaid from time to time from the date of this Note until due and payable (whether as stated, by acceleration or otherwise) at the rate of 12.75 percent per annum, said principal and interest to be paid in 40 consecutive quarterly installments, commencing on _____, 1981 with the following installments due on successive dates each of which shall be three months after the immediately preceding payment date. Each of such 40 installments shall be a level payment of principal and interest in the amount of \$ _____. Each such installment shall be applied first to the payment of any unpaid interest on the principal sum and then to payment of principal. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. After the maturity of any installment of principal, such installment shall bear interest at the rate of 18% per annum (calculated as aforesaid) or the highest rate permitted by applicable law, whichever is less, until paid in full. Any payment received after the maturity of any installment of principal shall be applied first to the payment of interest on said principal.

This Note is one of the Notes referred to in the Loan and Security Agreement, dated as of _____, 1981 between Debtor and MHLC (herein, as the same may from time to time be amended, supplemented or otherwise modified, called the "Agreement"), is secured as provided in the Agreement, and is subject to prepayment only as provided therein; and the holder hereof is entitled to the benefits thereof.

Terms defined in said Agreement shall have the same meaning when used in this Note, unless the context shall otherwise require.

Debtor hereby waives presentment, demand for payment, notice of dishonor, and any and all other notices or demands in connection with the delivery, acceptance, performance, default or enforcement of this Note and hereby consents to any extensions of time, renewals, releases of any party to this Note, waivers or modifications that may be granted or consented to by the holder of this Note.

Upon the occurrence of any one or more of the Events of Default specified in the Agreement or upon the occurrence of any one or more of those events with respect to any guarantor or endorser hereof, the amounts then remaining unpaid on this Note together with any interest accrued may be declared to be immediately due and payable without notice or demand although not yet due.

In the event that any holder shall institute any action for the enforcement or the collection of this Note, there shall be immediately due and payable, in addition to the unpaid balance hereof, all late charges, and all costs and expenses of such action, including reasonable attorneys' fees. Debtor, each endorser hereof, and MHLC in any litigation relating to or in connection with this Note in which MHLC and any of them shall be adverse parties waive trial by jury, and each maker and endorser hereby waives the right to interpose any setoff, counterclaim or defense of any nature or description whatsoever.

Debtor agrees that its liabilities hereunder are absolute and unconditional without regard to the liability of any other party and that no delay on the part of the holder hereof in exercising any power or right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any power or right hereunder preclude other or further exercise thereof or the exercise of any other power or right.

This Note shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York.

EVANS RAILCAR LEASING COMPANY

BY: _____

TITLE: _____

(CORPORATE SEAL)

EXHIBIT C

CHATTEL MORTGAGE

THIS CHATTEL MORTGAGE made the ____ day of _____, 1981 between

EVANS RAILCAR LEASING COMPANY ("Mortgagor")

2550 Golf Road, Suite 1000, The East Tower
Rolling Meadows, Illinois 60008,
an Illinois corporation.

and

MANUFACTURERS HANOVER LEASING CORPORATION ("Mortgagee")

30 Rockefeller Plaza
New York, New York 10020,
a New York corporation.

WHEREAS:

A. Mortgagor and Mortgagee have entered into a loan and security agreement of even date herewith (the "Loan and Security Agreement") a copy of which (together with copies of all exhibits and schedules thereto) is annexed as a schedule hereto.

B. Pursuant to the Loan and Security Agreement, and subject to the terms and conditions thereof, Mortgagee is now lending to Mortgagor _____ in U.S. funds (the "Loan") at a rate of interest per annum set out in the promissory note (the "Note") attached as Exhibit B to the Loan and Security Agreement.

C. By Section 6.1(b) of the Loan and Security Agreement Mortgagor agreed to execute and deliver this Chattel Mortgage.

NOW THEREFORE IN CONSIDERATION of the premises, and of the making of the Loan by Mortgagee, Mortgagor hereby grants, bargains, sells and assigns to Mortgagee the 200 railroad cars more particularly described in the Supplement attached to the Loan and Security Agreement, together with all accessories, parts, repairs, replacements, substitutions, attachments, modifications, renewals, additions, improvements, upgrades and accessions of, to or upon such railroad cars now or at any time hereafter required (all of which is hereinafter referred to as the "Equipment").

TO HAVE AND TO HOLD the Equipment unto Mortgagee forever. Provided always that if Mortgagor shall pay or cause to be paid to Mortgagee the aggregate unpaid principal amount of, and accrued interest on, the Note, in the installments and at the

times set out therein, and shall pay or cause to be paid or otherwise satisfy when due all other obligations and liabilities of Mortgagor, now existing or hereafter incurred, under, arising out of or in connection with the Loan or the Note, then this Chattel Mortgage shall become void.

MORTGAGOR REPRESENTS, WARRANTS, COVENANTS AND AGREES with Mortgagee as follows:

1. The terms and conditions of the Loan and Security Agreement, including the definitions, and the representations, warranties, covenants and agreements of Mortgagor contained therein, are applicable to this Chattel Mortgage, and are hereby incorporated as part hereof, except that, with respect to this Chattel Mortgage only:

(a) the definition of the word "Collateral", wherever that word appears in Section 8.2 of the Loan and Security Agreement, shall be deemed to be modified so as to include only the Equipment;

(b) the definition of the word "Obligations", wherever that word appears in Sections 8.2 and 8.3 of the Loan and Security Agreement, shall be deemed to be modified so as to include only the unpaid principal amount of, and accrued interest on, the Note, and all other obligations and liabilities of Mortgagor, now existing or hereafter incurred, under, arising out of or in connection with the Loan and Security Agreement or the Note.

2. Mortgagor shall pay or cause to be paid to Mortgagee the above-mentioned principal amount of, and accrued interest on, the Note, in the installments and at the times set out therein, and shall pay or cause to be paid or otherwise satisfy when due all other obligations and liabilities of Mortgagor, now existing or hereafter incurred, under, arising out of or in connection with the Loan and Security Agreement or the Note.

3. Without limiting the generality of paragraph 1 of this Chattel Mortgage:

(a) an event of default under the Loan and Security Agreement shall constitute an event of default under this Chattel Mortgage; and

(b) the remedies of Mortgagee, including those set out in Section 8 of the Loan and Security Agreement as deemed to be modified by paragraph 1 of this Chattel Mortgage, shall be remedies under this Chattel Mortgage.

4. Mortgagor, to the extent permitted by law, hereby waives all rights, benefits and protection given by sections 23 to 28 of the Chattel Mortgage Act of British Columbia and all amendments to or substitutions for the said sections, and by any and all other statutory provisions similar to the said sections, however designated and whether now or hereafter enacted or in force, of any other province or any territory of Canada.

5. Any provision of this Chattel Mortgage which is unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such unenforceability without invalidating the remaining provisions hereof, and any such unenforceability in any jurisdiction shall not render unenforceable such provision in any other jurisdiction.

6. This Chattel Mortgage shall be governed by and construed in accordance with the laws of British Columbia and the laws of Canada applicable therein.

7. This Chattel Mortgage and all the provisions hereof shall enure to the benefit of Mortgagee and its successors and assigns and shall be binding on Mortgagor and its successors and assigns.

IN WITNESS WHEREOF Mortgagor has duly executed this Chattel Mortgage as of the day and year first above written.

EVANS RAILCAR LEASING COMPANY

BY: _____
President

(Corporate Seal)

ATTEST:

Secretary

AFFIDAVIT OF OFFICER
OF A CORPORATE MORTGAGOR

CHATTEL MORTGAGE ACT

I, _____ being
(title) _____ of EVANS RAILCAR LEASING COMPANY make
oath and say as follows:

1. That the document to which this affidavit is attached is a chattel mortgage made, given and executed by EVANS RAILCAR LEASING COMPANY
2. That I as such officer of the corporation, being duly authorized to do so, did affix the seal of the corporation to the chattel mortgage and did sign the chattel mortgage as such officer on the ____ day of _____, 1981.
3. That the head office or chief place of business of the corporation is situated at _____ in the City of _____ in the State of _____.
4. That I reside at _____ and am an executive.

SWORN BEFORE ME at _____)
_____ in the State of _____)
_____ this _____)
day of _____, 1981.)

A Notary Public

PREPAYMENT SCHEDULE
(Evans Railcar Leasing Company)

After Quarterly
Installment Payment
Number

Prepayment Amount As a
Percentage of Original Note(s)
Amount(s)

20	71.7127
21	68.6113
22	65.4640
23	62.2704
24	59.0292
25	55.7399
26	52.4014
27	49.0129
28	45.5735
29	42.0824
30	38.5385
31	34.9409
32	31.2889
33	27.5815
34	24.0023
35	20.3090
36	16.4980
37	12.5656
38	8.5078
39	4.3206
40	0.0000

State of Illinois

County of Cook

On this the 26th day of March, 1981,
before me Paul J. Graf, a Notary Public, personally
appeared Paul R. Leak, who acknowledged himself
to be the Vice President of Evans Railcar Leasing
Company, and that he, being authorized to do so, executed
the foregoing instrument for the purposes therein contained
on behalf of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and
official seal.

Paul J. Graf
Notary Public

My Commission Expires August 24, 1982